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Turning Values into Revenue: The Markets and the Field of Popular Music in the US, the UK and West Germany (1940s to 1980s)

Klaus Nathaus*

Abstract: »Die Umwandlung von Werten in Einkünfte: Die Märkte und das Feld populärer Musik in den USA, Großbritannien und Westdeutschland von den 1940ern bis zu den 1980ern«. Taking the popular music business in the US, the UK and West Germany as an example, this article shows how the value of cultural content is generated and negotiated in fields and that these values in turn shape the performance of cultural markets to a great extent. While in Western Germany a functional understanding of music persistently dominated, the participants of the music field in Britain in the 1960s began to orient their decisions toward what became defined as the artistic value of popular music. In contrast to Europe, where music producers and their values dominated the field, the US example is characterized by the fact that market research and its methods to quantify popularity played a central role in the production and dissemination of pop music early on. Comparing three distinct cases, the paper suggests employing the field concept to analyze both the change and the embeddedness of markets.

Keywords: music business, field, evaluation, economic sociology, economic history.

Sociology has contributed immensely to the understanding of markets by pointing out the many dimensions in which economic behavior is socially embedded. Since Mark Granovetter put the term embeddedness on the sociological agenda (Granovetter 1985), there has been ample empirical research on how networks and organizations, formal and informal rules, cognitive frames and economic theory itself have influenced the way economic exchange is conducted (for overviews see Smelser and Swedberg 2005, Fligstein and Dauter 2007, Fourcade 2007). In a similar move, historiography has also begun to take the ideas, institutions and cultures that shape markets or the economy into view (Bevir and Trentmann 2004, Berghoff and Vogel 2004). Both disciplines share

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a critical distance towards neoclassical economics and find allies among those economists who are receptive towards such criticism and try to incorporate societal influences on economic behavior (Kocka 2010).

While the achievements of the new economic sociology are widely acknowledged, the approach has occasionally been criticised because its key term – embeddedness – is too vague to serve as a cornerstone for a more refined framework for the systematic study of markets in society (Krippner and Alvarez 2007). Granovetter himself noted in a symposium on embeddedness in 2002 that the term had “become almost meaningless,” and far from representing a theoretical model, it should be seen as a “sensitizing umbrella concept” with which researchers may look for the connections between the economic and the social (Krippner et al. 2004, 113, 133).

Against the backdrop of this discussion, the following article suggests an addition of the concept of fields to the analysis of markets. It argues that field theory can make the ways in which markets are connected with their social surroundings more explicit, as it does not conflate the economic with the social. It is by now widely acknowledged that in practice these two spheres are deeply intertwined. However, it seems advisable to analytically separate them to account for the influence of economic constraints and incentives as well as social structures and processes on actors. Combining the market concept with the notion of field allows us to do this while not losing sight of the particularities that distinguish markets from other social systems. Furthermore, such an approach is open to arguments from economics, rather than drawing a firm line between that discipline and other social sciences.

The article takes up a recent contribution by Jens Beckert (2010) that discusses the usefulness of the field concept as devised by Pierre Bourdieu in the study of markets. Beckert starts from an observation that is highly relevant for historians when he notices that by concentrating on either social networks or institutions or cognitive frames, as is common in sociological studies of markets, change cannot be accounted for in a satisfactory fashion. Networks, institutions or cognitive frames cement the status quo of markets, as they concentrate power and resources in the hands of the incumbents and work as obstacles for newcomers. Consequently, the fact that every so often new players establish new social ties and new ways of trading drifts beyond the scope of study, as reasons for these occurrences are externalized. To draw mechanisms of change into the framework of analysis, Beckert suggests studying social networks, institutions and cognitive frames as interrelated and not only as constraints, but also as potential resources for change. This brings him to take the perspective of actors who employ one of the “social forces” – a new technology, for example – to overcome another – a dominant network, for instance – that they experience as a constraint. Consequently, the dynamism of markets is rooted in the attempts of actors to enhance their position, and this is where the notion of field comes into the framework. Beckert makes use of the field concept by highlight-

ing the actors who constantly try to advance their position as a driving force for change. Whether it is a change of market or field does not become clear, as Beckert uses the two terms more or less synonymously.

At this point, I suggest developing Beckert's framework by using the distinction between market and field to systematically capture in what way markets are connected to, or, to use the common metaphor, embedded in social context. Taking the popular music business as an example, the following article first tries to dissect the respective markets from their surrounding field to reveal their different economic logics that have to be taken into account to understand the behavior of market actors. But the institutional structure of markets only defines the wider context in which actors constantly make decisions that are not based simply on the information that markets provide, but on values that circulate in the surrounding field. The elusiveness of demand is key: As suppliers of music operate under uncertain demand, their choices of repertoires and marketing strategies ultimately rests on shared assumptions about the prospective acceptance of certain kinds of music by an audience that is fundamentally unknown to them. These assumptions are called values here, as they are the result of selective information mediated by preferences of taste, professional self-understanding, experience, power relations and the like. Comparing central features of the music field in the United States, Britain and Western Germany between the 1940s and the 1980s, I intend to show how the very different structures of the music field in the three countries shaped the values that guided decision making, thereby affecting the national markets in very different ways, even though the markets as such show many similarities in terms of their legal and technological structure.

Trading Performances, Records and Licenses: The Three Markets of Popular Music

Music is a commodity that comes in several states of aggregation. Taking the "products" that are traded as the basic unit, one can distinguish between three markets of popular music. The first and oldest is the market for musical performances, where musicians in the widest sense are paid for producing sounds. Initially, musicians performed live, but with the establishment of the sound recording the market for musical performances encompassed the labor market for studio musicians as well as performances of recorded music by disc jockeys at radio stations or in discotheques. This market for sound performance makes music part of the service sector, subjecting it to the respective economic logics like William Baumol's "cost disease" that affects live performances to a great extent. Focusing on this economic property, it has been argued, for instance, that the irreducible costs of performers as service workers contributed to the decline of the big bands in the 1950s and facilitated the rise of smaller groups of musicians that happened to play Rock 'n' Roll (DeBoer 1985).

The second market is of more recent origin: the market for recorded music. The first form of recorded music was sheet music which was sold to amateur musicians like pianists or choirs and remained important for the music business roughly until the middle of the 20th century. At the end of the 19th century, acoustically recorded gramophone records appeared, making way in the 1920s for electrical recordings and later tapes and digital recordings on CDs. In roughly the second half of the 20th century the music industry was dominated by the record as a sound carrier sold to consumers. Digital music files, the latest development, have rendered such physical items unnecessary, but the file is still a form of recorded music. The market for recorded sound makes music part of the industrial sector, where raw materials (musical ideas, sounds, paper or plastic) are processed into consumer products. As with the market for musical performances, the market for recorded music is subjected to the economic logic of its sector which is characterized by high sunk costs and relatively low costs for reproduction. This has motivated the producers of recorded music to try to control the media of reproduction and distribution, an incentive that drove the concentration of the music business into a few vertically integrated multinational firms (Garofalo 2000, Bakker 2006).

The third market is the market for music licenses. In this market, revenue is generated by copyright proprietors (composers, authors and publishers) granting others the use of their compositions for defined purposes, for instance print a score, produce a recording and distribute it, perform the song in public, play the record of the song in public, use the song in a film, produce a stage play on the basis of a song, etc. (Kohn and Kohn 1992). Licensors are usually paid a share of the earnings from performances and reproductions or a license fee that has been negotiated between a collecting society as a representative of the copyright owners and the respective music users. Collecting societies take this fee and distribute it among their members and affiliates, according to their distribution schemes. There are national and international bodies in existence, set up in the second half of the 19th and in the early 20th century by composers, authors and publishers. In the United States, the American Society of Composers, Authors and Publishers (ASCAP) collects performance fees from music users like hotels and radio stations (Ryan 1985); internationally, the Bureau International de l'Edition Mecanique (BIEM) administers the distribution of royalties from record companies to foreign copyright proprietors.¹ The market for licenses makes the music business a rights industry, which is characterized by the fact that the copyright proprietors do not trade directly with end-users, but with producers in other industries who incorporate music into their products and retail outlets. The potential productivity in this market is almost boundless, as the possibilities of using a song are only limited by the

¹ J. Ferraton, *Das B.I.E.M. (Bureau International d'Edition Mécanique)*, in: *Musikhandel* 7 (1956), 2, 4.

inventiveness of licensor and licensee. In comparison with the market for recorded music, sunk costs are negligible, as music publishing requires no additional recording studios or pressing plants, but is first and foremost a business of contacts and expertise in copyright law. The career of the brothers Jean and Julian Aberbach illustrates how with little financial investment a lot of money could be made from music licensing. Trained as salesmen, they turned to the copyright business and made a dent in the publishing industry in France in the 1930s, before the political situation on the continent forced them to start all over again in the United States. On the basis of Jean's work as a promoter for the publishing house Chappell, the Aberbachs founded Hill and Range in 1944. Within a few years they had managed to build up a song catalogue with some of the most profitable copyrights in country, rock and roll and gospel music (Biszick-Lockwood 2010). Apart from contacts and expertise, the political economy of copyright is central to music licensing. Whereas the market for recorded music is primarily shaped by media technology as the means of production, the market for licenses is foremost delineated by law and regulation.

While it becomes apparent that each of the three markets is subjected to a distinct sectoral logic, these music markets are also interwoven. The production of recorded music, for example, requires licenses and commonly musicians who transform the composer's ideas into sound. At times, the markets have expanded jointly as they fed into each other (e.g. more records meant bigger revenues from licenses), but sometimes one market had flourished because one or both of the other two were in decline. The decline of the record industry, for instance, parallels the current orientation toward live concerts, and many established rock and pop performers nowadays derive their income mainly from the sales of tickets and merchandise during concerts (Frith 2007, 5f.) and from licensing fees. Before the recent crisis of the record business, the industrial sector of music had been the most important market, with record manufacturers dominating the music industry. A survey of major U.K. firms in the music trade from 1977, based on returns to the company registration offices in London and Edinburgh, shows that the four record firms EMI, CBS (U.K.), Decca and Phonogram were among the five biggest companies in terms of sales; also among the top ten were the record labels Pye, Island and WEA. Large retailers, some of them subsidiaries of the big record manufacturers, made up the group of the companies second in size, next to big manufacturers of musical instruments. With the exception of Dick James Music, publisher of most of the Beatles' songs and some other very valuable catalogues (Southall 2006), independent publishing firms are to be found further down the list, which illustrates that publishing had been to a large extent absorbed by the record industry (Jordan Dataquest 1977).

Changes in the performance of the three markets most obviously depend on legal and technological institutions. The invention of recorded sound initially reduced the number of "live" musicians; new storage devices and formats have

opened up possibilities for the production of new sound carriers, but also the opportunities for piracy. The market for copyrights requires the most elaborate institutional framework of the three markets, as musical licensing rests on laws, depends on organizations that administer the distribution of royalties, and new media technologies open up new avenues to generate revenue from musical copyrights.

Negotiating Values: The Field of Popular Music

So far, the music business has been described as an assemblage of three interrelated markets that are governed by law and technology and are subjected to sector-specific economic logics. However, as soon as the focus is shifted from the legal and technological architecture of markets to the level of actors and the products they fabricate, it will be realized that this market constellation defines only the wider context in which people and firms of the music business operate. To be sure, the economics of performances, record production and licensing limit their options and set certain incentives. But within these fairly wide boundaries, market actors still have many options about which songs to market, which potential audiences to address, and which strategies to employ. The markets themselves offer little guidance in this respect, mainly because music providers are confronted with the problem that demand is by and large unforeseeable. According to statistics that have circulated in the industry regardless of changing technology and tastes, only one in eight artists signed by record firms sells enough records to recoup the costs for production and marketing (Negus 1999, 32).² To date the fundamental uncertainty between supply and demand has not been overcome with the help of ever more subtle audience measurement techniques, as these aggravate rather than solve the problem by producing increasingly fragmented and autonomous audiences (Napoli 2010). Neither have economic strategies to minimize risks such as overproduction, slotting output in genres or drawing up option-contracts (Caves 2000) compensated for the elusiveness of demand. Decisions about artists, repertoire and marketing strategies still have to be made, and this is done on the basis of values that are attributed to audiences, producers and products and which are shared at least among the more influential actors in the market.

To account for the role of values in the performance of markets, I suggest employing the concept of field as devised by Pierre Bourdieu (Bourdieu 1993), and as used in neo-institutional sociology. A field can be defined as a distribution of participants and resources where actors relate to each other by strategically investing resources to claim or defend positions in the field. Take as an

² According to Simon Frith (2001, 33), even more than ninety per cent of products result in financial losses.

example a record producer who invests money or draws on his personal contacts to make a recording with a famous band in order to gain reputation among his peers. The field concept has been discussed in detail elsewhere (Emirbayer and Johnson 2008). What is important here is that, first, the notion of field allows us to take actors into view who do not trade on the market but are very influential in the creation of values which are then turned into revenue. In the case at hand, these are intermediaries like music critics or market researchers who influence the evaluation of musical products and potential audiences (Negus 2002). Secondly, the field concept directs the view to power relations between participants, an important aspect as the creation of values that inform collective behavior largely depends on the position of the actors who propose or reject them. At the same time, thirdly, fields cohere around a common focus of attention, meaning that there is a centre to a field that attracts and guides participants in their behavior, creating institutional isomorphism within fields (DiMaggio and Powell 1983). The centre of a field can be occupied by certain actors such as successful firms, but also by “field configuring events” like trade fairs and festivals (Moeran and Strandgaard Pedersen 2011, Anand and Jones 2008) or “market information regimes” such as bestseller lists or other devices to calculate demand (Anand and Peterson 2000, Andrews and Napoli 2008). Acknowledging the “position-taking” of competing actors as well as the coherence around a common focal point makes the field concept a useful framework to study both stability and change.

The remainder of this paper sketches developments in the field of popular music in Western Germany, the UK and the US from the 1940s to the 1980s to show that despite many parallels in media technology and copyright law the production and dissemination of music has taken different routes in the three countries, due to the fact that different values prevailed in the respective fields. In Western Germany, producers of popular music adhered to the functional value of popular tunes as music for socializing and dancing. In Britain in the mid-1960s, the aesthetic value of pop music gained ground, with “progressive” rock being transformed into a form of art. In the US, market research played a far greater role than in the European examples, making the quantification of popularity a primary value for the industry. The following text will be more detailed on the German case, as I am going to present original research, and I can be briefer with the British and the American examples, as I am able to refer to existing studies.

The Persistence of the Functional Value of Popular Music in Western Germany

Looking at the German case in the two decades after the Second World War, it is important not to equate the music business with the record industry but to acknowledge the pivotal position of music publishers. Until the 1960s, record

sales were relatively low in comparison to the US due to the high retail price of records and the fact that at the end of the 1950s still only a third of West German households owned a record player.³ Consequently, the music business in Germany rested to a considerable extent on the exploitation of copyrights in the various channels of performance. In 1959 the GEMA, the German collecting society, took about DM 75 million in licensing fees, more than half of which stemmed from performance fees. Despite the growth of “mechanical music”, the report for the year 1959 welcomed an increase in the area of live performances and noted a decline in license revenue from the record industry of about ten per cent after statistical correction.⁴ In that year, West Germans bought records worth DM 129 million.⁵ However, the actual profit from these sales were smaller than the net income from licenses, as high production and marketing costs for records have to be taken into account, while nearly DM 65 million of GEMA takings were distributed among members. A look at the income structure of the US music industry underlines the importance of licensing fees for the German case. According to a semi-official statistics from the trade journal *Variety*, published in 1957, the US music industry earned nine hundred million dollars from juke box takings and record sales, but captured only about thirty million dollars from performance fees.⁶

The relative importance of performance fees and the comparatively small scale of the record industry are reasons for why music publishers remained primary gatekeepers in the German music business, while in the USA publishers in the early 50s already complained that the “artist and repertoire men” of the recording industry were taking over that function (Sanjek 1988, 329f.). Composers and authors of popular songs turned to publishers who used their contacts to arrange recordings with record companies and to “plug” it to radio stations and the still quite numerous dance bands. In Berlin in the early 50s, there were around 440 Cafés and Restaurants where live music was performed, with most of them staging performances seven days a week (Eidam and Schröder 1996, 75). Music publishers and their promotion men frequented these venues to peddle their songs. Publishers also had close connections to public broadcasters, a relationship that was criticized repeatedly in newspaper reports about “payola” cases. Allegations were aimed at radio employees who programmed titles in which they had financial stakes, often by being cut in as

³ Helmut Haertel, Die Lage auf dem deutschen Schallplatten-Markt, in: *Der Musikmarkt* 1, 1 (1959), 1, 26.

⁴ GEMA, Bericht für das Geschäftsjahr 1959, Bundesarchiv (Federal Archives) Koblenz B141/2725, fol. 141, 230 and 233 (hereafter BArchiv KO).

⁵ Rolf Engleder, 1959: Weitere Steigerung des Schallplatten-Umsatzes auf dem Weltmarkt, in: *Der Musikmarkt* 2, 4 (1959), 3, 10.

⁶ Bericht des Leiters der Rechtsabteilung des BIEM J. Elissabide über eine Reise nach den USA, BArchiv KO, B141/2709, fol. 71.

composers or authors of the respective song (Nathaus 2011). Finally, publishers mediated songs to the producers of musical films that boomed around 1960, when every fourth film produced in Germany was a “Schlager” movie.⁷

Some publishers like Will Meisel, Ralph Maria Siegel, Michael Jary, Benny de Weille and Wilhelm “Wiga” Gabriel had started their publishing firms as composers or performers of light music. Other publishing companies relied on promoters who brought sound musical knowledge and ability to perform to the task. Such skills were essential, as in the early 1950s songs were “plugged” as sheet music, which required the seller to be able to give an impromptu performance and the buyer to have the ability to imagine a full-blown production on the basis of a written score and the seller’s live demonstration. Consequently, the publishers’ counterparts in radio and record firms generally were also seasoned musicians who were able to sight-read and arrange music. An important group in this respect were the musicians and leaders of radio orchestras. They performed in live broadcasts, recorded for radio programs, worked as arrangers, were employed as producers and session musicians by record companies and accompanied record stars live on stage. At dance halls, publishers and their promoters met a similar type of musicians who were versatile and approached their trade as craftsmen. The personnel of radio orchestras and bands had often begun their professional careers in dance bands and regularly played in front of live audiences (Braun 2006, Last 2006, Vollberg 2006).

The fact that this network of publishers and musicians had firsthand experience and regular contact with a present audience that used music as an accompaniment for socializing and dancing informed the way these gatekeepers evaluated songs. Looking at the popular repertoire, it is evident that publishers and performers intended music to charm and amuse the widest possible audience. Novelty songs, that owed their short shelf life to current news stories or the popularity of a celebrity performer, provided content for sociable talk. Songs about alcohol consumption, bars and parties, some of them spiked with double entendres and mild sexual allusions, were tailored to a male audience and a situational reception in which they were thought to temporarily lower inhibitions. Songs about romantic love and the longing for exotic places, which made up the largest share of popular music releases in the 1950s, took listeners away from their everyday lives and set the scene for dancing. All in all, publishers and musicians shared a functional understanding of music as a social lubricant. They saw no intrinsic value in “Schlager” and kept this music separate from classical works or jazz that they held in high regard. As professionals, they adhered to a craftsmen ethos. Tellingly, publisher Ralph Maria Siegel compared the composers and authors of popular music with cobblers and tai-

⁷ Manuel Hart, Jeder vierte Film ist ein Musik-Film, *Der Musikmarkt* 1, 2 (1959), 14.

lors.⁸ When they worked in “Schlager”, publishers and musicians appreciated the “well-made” composition and delivered an inconspicuous performance within the limits of a tried-and-tested formula.

To accompany dancers was an essential aspect of popular music in the eyes of German music makers. The centrality of dance becomes evident if one looks at the lists of new sheet music releases in the trade journal “Musikhandel” throughout the 1950s, where titles were always specified by indicating what the appropriate dance step was for the song. The same information can be found on the labels of singles released until 1964, when record companies began to abandon this practice. Fashionable dances like the Slop, Halli Galli, Letkiss or Madison became the vehicle for a string of songs that could serve as an accompaniment for these routines. In 1963, there were at least two dozen releases with a reference to the Twist in the title. Record companies around 1960 also employed dancing as a promotional strategy by organizing “record hops”, where teenagers could listen and dance to the latest releases which were presented by a disk jockey.⁹

Adherence to what can be called the “dance paradigm” can be observed in radio, television and film. Prime time radio programs with popular music were invariably labeled “Tanzsendungen” and occasionally dedicated to a particular dance step.¹⁰ For television, the “Westdeutscher Rundfunk” produced a dance course in which Ernst and Helga Fern, proprietors of a dance school in Düsseldorf, demonstrated standard moves as well as fashionable steps of the day, accompanied by the station’s dance band. These televised dance lessons were broadcast from 1964 to 1968. Much like the “Bollywood” style of cinema in India, the many “Schlager” movies from around 1960 contained dance scenes that had no apparent connection to the plot of the film and may have served to introduce dance styles to cinema audiences. Knowledge about the latest dance could also be gleaned from the pages of “Hör Zu”, the listings magazine for the weekly radio and television program that published photo series as step-by-step instructions for dancers.¹¹ Dancing also played a role in the juke box segment of the market, as record reviews in the “Automatenmarkt”, the trade journal for coin machine operators, routinely mentioned the appropriate dance step.¹² At the end of the decade, the journal announced that the “Tanzbox” (Dance Box) had begun to substitute live musicians in smaller dance cafés and was, according to the journal, preferred by patrons who were able to dance to songs that

⁸ Ralph Maria Siegel, Tummelplatz für Dilettanten? Der große Run nach dem Nebengeschäft drückt das Niveau, *Der Musikmarkt* 1, 6 (1959), 15f.

⁹ Record-Hop mit Zukunft, *Der Musikmarkt* 1, 1 (1959), 20.

¹⁰ Eine Sendung mit internationalen Schallplatten zum neuen Mode-Tanz “Madison”, *Hör Zu* 2/1963, 55.

¹¹ So tanzt man Bossa Nova, *Hör Zu* 3/1963, 10.

¹² Wir hörten neue Platten, *Automatenmarkt* 9 (1957), 70.

they could pick themselves. “Automatenmarkt” estimated that in Berlin twenty per cent of the juke boxes in operation catered to the needs of a dancing audience.¹³

The “dance paradigm” shaped the domestic repertoire as well as the marketing of foreign songs which to a considerable extent arrived on the backs of Hollywood films and were sold as sheet music and on records. In 1956, more than forty of the hundred most popular records in Germany contained US-American copyrights (Sanjek 1988, 378). With the exception of the hits by Elvis Presley or Bill Haley, the majority of these imports had been re-recorded by German performers with a new musical arrangement and German lyrics, so that in the end these sub-published songs could hardly be distinguished from domestic compositions. The labels of those records showed dance names like “Slow-Rock” and “Skiffle-Fox”, illustrating that Anglo-American genres in most cases were stripped of their distinct images and sounds and incorporated into the “Schlager” repertoire as dances.

While the professional routines and the audience experience of publishers and dance bands dominated the field of popular music in Germany, systematic market research played a much smaller role. The first charts appeared in the mid-1950s in the “Automatenmarkt”. Trained in the maintenance of coin machines, juke box operators did not share the professional background of the dominant music makers and were therefore open to a different kind of information to pick promising records. At first, the journal reprinted the bestseller list from “Cash Box”, the US journal for juke box operators, and was supposed to inform those operators who catered to a primarily American clientele, as the caption to the charts indicates. In 1956, allegedly on the request of the readership, “Automatenmarkt” published the monthly “Spitzenreiter des Monats” as the first German charts. The list highlighted ten records and added another twenty titles which had been the favorites of juke box customers, according to the returns from operators. Within a couple of months, “Automatenmarkt” began to print hit lists from other European countries, gathered information from retailers for a record sales charts, recommended potential juke box hits and proudly announced whenever its predictions turned out to be correct. Repeatedly, the journal stressed the accuracy and objectivity of its “tests” and appealed to operators to keep sending data.¹⁴

Even though charts became a regular feature of “Automatenmarkt” and also of “Musikmarkt”, the second trade journal launched in 1959, not many decision makers in the industry seem to have taken them as guidance. One explanation for the reluctance of many actors in the field to orient towards bestseller lists may have been the poor quality of data, particular in comparison to the Ameri-

¹³ Die Tanzbox ist groß im Kommen, Automatenmarkt 11 (1959), 716-8.

¹⁴ Musikbox war Schrittmacher für neuen Spitzenschlager, Automatenmarkt 9 (1957), 571; Brigitte bekam Post, Automatenmarkt 10 (1958), 203.

can “Billboard” charts. There was no indication if the lists in “Automatenmarkt” were in any way representative of juke box plays or record sales. The “Musikmarkt” charts compiled data from sixty shops and a few juke box distributors, but printed the names of these outlets next to the list, making it rife for chart-rigging. More important than the quality of the data, however, was that the quantitative evaluation of music conflicted with the self-understanding of many actors in the field who simply refused to abandon their professional standards for quantitative calculations and were in the position to ignore this kind of evaluation. Music publishers, authors and musicians opposed bestseller lists because they felt that these devices devalued their experience and musical expertise. Slightly aloof, publisher Ralph Maria Siegel pointed out the shortcomings of hit lists to indicate success and called “hit-parades and bestseller lists a passing phenomenon, born out of a certain technological and propagandistic fad of the industry which will be replaced by something new, not necessarily better”.¹⁵ Public radio and television based their music programs on charts only in rare instances, as editors willing to retain a higher degree of autonomy could invoke the educational remit of public broadcasting. Only the commercial station Radio Luxembourg, which was received in the north-west of the Federal Republic, regularly played charts-based programs since the 50s. Format radio became widespread in Germany as late as the mid-80s, when the introduction of commercial broadcasting forced the public service stations to reconsider their approach (Schramm and Hofer 2008).

Retailers, who could have had an interest in using bestseller lists as a guideline for ordering stock and promoting their wares, stuck to an older ideal of the specialized shop where the sales assistant was supposed to gently lead the customer to satisfaction. A handbook for shop assistants from 1957 went as far as to recommend talking customers out of purchasing the silliest titles which he or she would later regret having purchased (Facijs et al. 1957, 49). Other publications aimed at sales personnel also make clear distinctions between “quality” music and “Schlager” and portray the connoisseur of classical music and the collector of jazz records as model customers. The charts received no mention in the publications (Hoffmann 1978). Following the example of the “Musikalienhändler” (music retailer) which had become an officially recognized profession in 1954,¹⁶ trade associations lobbied for a similar endorsement of the “Schallplattensortimenter” (record retailer) and offered training courses designed to support claims for a “serious” profession. At the “Phono-Fachschule” in Bayreuth, a school for record salespeople opened up in 1964, where trainees were introduced not only to selling techniques, but also to music and art history, the technology of sound recording and reproduction as well as basics in

¹⁵ Ralph Maria Siegel, Wert und Unwert der Hit-Paraden, *Der Musikmarkt* 5, 5 (1963), 6.

¹⁶ Max Teichgräber, Der junge Musikalienhändler. Seine Ausbildung und Prüfung, *Musikhandel* 7 (1956), no. 3/4, 45f.; no. 5/6, 98f.

harmonics.¹⁷ Until well into the 60s, when self-service eventually made headway in Germany and “Musikmarkt” began to push its charts – which by now came out fortnightly – as a promotional tool for music shops,¹⁸ retailing adhered to professional standards rather than bestseller lists.

While domestic hit lists found relatively little resonance among participants of the pop field, German music makers keenly studied the US charts. Analyzing Germany’s best selling records and new sheet music releases as listed in “Musikhandel” in the 50s, it becomes apparent that most American titles which were sub-published in Germany had been recent chart successes in “Billboard” or “Variety” or had been recommended by one of the two major American trade journals as potential best sellers. For the time around 1970, Caterina Last, daughter of German band leader James Last, remembers that her family sat down to study the “Billboard” charts and discuss possible titles that her father would re-arrange for domestic listeners in his trademark “Happy Sound” (Last 2006, 196). At first glance, this firm orientation towards the US market seems rather surprising. As songs commonly underwent a complete overhaul before they would be sold on the home market, domestic producers clearly thought that the American repertoire would not work for German listeners unless it was adapted. So why did German publishers and record companies select songs that were favored by an audience they thought had different preferences than domestic listeners? The answer to this question might be that the relatively sophisticated US charts provided data that could serve as a sales argument in negotiations between US and German publishers as well between the latter and domestic record firms and other music users, especially as people without a musical background entered into key gatekeeper positions. It is also very likely that chart success was invoked to convince licensees that a title had hit potential, even though its popularity on the German market was as unpredictable as any composition by a German songwriter. In any case, US charts were more consequential for the popular music field in Germany than domestic hit parades, at least until the mid-60s.

Around 1960, German music makers saw themselves confronted with new tendencies that threatened to reassemble the commodity chain of “Schlager” music. The domestic industry faced what Russell Sanjek has called the “shift from print to plastic” (Sanjek 1983), with records replacing sheet music as the prime medium of recorded music sales. This change in media technology tipped the scales of power towards the record companies who were able to

¹⁷ Schallplattensortimenter soll Lehrberuf werden. Diskussionstagung in Königswinter zwischen Handel, Industrie und Arbeitsämtern, *Der Musikmarkt* 4, 5 (1962), 8; Phonofachschule in Bayreuth ist eröffnet, *Der Musikmarkt* 6, 6 (1964), 6f.

¹⁸ Dieter Bosch, Musik über alle Kanäle. Ein Marktreport, *Rationeller Handel* 14, 1 (1971), 37-43; Musikmarkt-Hit-Parade als Werbeträger für den Handel. Erscheinungsweise seit 1. Januar 1965 vierzehntägig, *Der Musikmarkt* 7, 1 (1965), 3.

offer songwriters recordings with star performers, something which had by then become a necessity to produce a hit. This in turn undermined music publishers who feared that record companies and their artist and repertoire personnel would soon take over their central gatekeeper role while also reaping the benefits of publishers' royalties. Apart from this structural shift within the industry, changes in consumer tastes also became apparent. From about 1964/65 it was evident that German consumers did not oppose listening to English-language tunes in their original version, and instead, many of them actually preferred doing so (Dussel 2006).

Despite these tendencies, the power relations within the German music business remained surprisingly stable, and the functional value of music as a social lubricant remained a focal point of the music field in Western Germany. This continuity can be explained partly in reference to the strategies of some publishers who successfully ventured into record production themselves and thereby avoided being sidelined by record companies (Nathaus 2011). A further factor is the rise of the discotheque which updated the "dance paradigm" to the 1960s and 70s.

The first discotheques in Germany originated in bars and restaurants where disk jockeys presented dance music on records and opened in 1959 at the latest. Compared with later developments, the early discotheque was smaller and more formal. Disk Jockeys presented dance music programs with interludes and introduced the guests to each title. A good DJ would not just put records on the turntable, but act as a *compère* who interacted with his audience via amusing announcements, dance demonstrations or disco games (Quirini 2001, 11). Apart from that, there was a strict dress code for patrons and employees. Klaus Quirini, who claims to have been the first German disk jockey when he hosted dance parties in the "Jockey-Tanz-Bar" in Aachen in the Rhineland in 1959, remembers that his job contract obliged him to wear a white shirt at work. Male guests had to wear ties to be allowed entrance, and in the early years women could not get in if they wore trousers.¹⁹ The stress on a polished appearance and a heightened ambience was important to gain a positive reputation with customers and the authorities and to consolidate an entertainment form that was still in its infancy. At this stage in particular, venues with an unsavory image could have easily brought the whole concept of the discotheque into disrepute by drawing the wrong sort of customers.

Apart from cultivating their reputation towards customers and the authorities, discotheques undertook steps that raised the interest of the record industry. In 1962, "Club 66", an association of "friends of modern dance music", offered record companies tests to assess the mood of the dancing crowd when certain titles were played.²⁰ A year later, a group of disk jockeys founded the

¹⁹ Interview with Klaus Quirini, 28.04.2011.

²⁰ Platten-Tests auf dem Tanzboden, *Der Musikmarkt* 4, 3 (1962), 30.

“Deutsche Disk-Jockey-Organisation” (DDO), an association of disco DJs which was led by Quirini and fronted the popular presenter of Radio Luxembourg, Camillo Felgen, as its patron. The DJ organization provided the record industry a contact, and very soon after its formation an intense cooperation between discos and music producers began. From 1964, clubs received free records, and around that time Deutsche Vogue and Elektrola offered the DDO twenty Pfennig for every sold record that bore an endorsement by the DDO on its label.²¹ In April 1965, “Musikmarkt” introduced the “Deutsche Club-Hitparade”, a top twenty list of the most popular records in discotheques, based on the returns of DDO-DJs. The annual meetings of the disk jockeys were gala events where new show talent got the opportunity to be spotted by one of the many representatives of German record and publishing firms. Apart from performers, ex-DJs who grew tired of their night jobs started careers as promotion men or producers at record firms, or in some instances went on to become radio DJs. This in turn strengthened the ties between the record industry and the discotheques and brought people with a “disco outlook” into positions in broadcasting media. Finally, discotheques provided a testing ground for singers and groups to perform live in front of audiences. Discotheques became an important “plugging outlet” and talent pool for the German music industry. The rise of the discotheque happened in the mid-60s, at about the same time as Anglo-American rock sounds – this time as pressings from the original recordings – consolidated their position on the German market.

While dance bands fell victim to the industrialization of musical entertainment and some of the older “Schlager” lost ground in broadcasting programs, the discotheque provided a place where the “dance paradigm” and the functional value of music as a social lubricant were preserved. German record firms and publishers who had become producers went on to bring out dance music that was aimed at the common, though younger, denominator. “Schlager” music, which was written off time and again during the 1960s and 70s by the general press,²² was provided with, if not a new lease of life, a niche where it endured the rise of Anglo-American music without having to change its basic formula. The music market was split between English language imports, often in the rock vernacular, and domestic “Schlager” which became a distinct category and received its own charts with the “Bestseller Deutscher Schlager” in “Musikmarkt” in September 1967. German sounds that deviated from the functional understanding of popular music and related to Anglo-American sounds remained at the margins of the music field, as the examples of German beat bands of the mid-60s and “Krautrock” in the early 1970s illustrate. Caught

²¹ Heinrich (sic) Quirini, Die “Deutsche Disc-Jockey-Organisation” verdrängt keine Kapellen, Der Musikmarkt 7, 12 (1965), 26; Interview with Klaus Quirini, 28.04.2011.

²² “Papap Schlager stirbt an Altersschwäche” erhitzt die Gemüter, Der Musikmarkt 9, 12 (1967), 62, 64; Die Schonzeit für den Schmus ist beendet, Der Spiegel, 11.08.1975, 76-80.

between imported rock and domestic “Schlager”, German rock bands lacked support from the musical establishment of publishers, record companies and broadcasting media and had to concentrate on concerts and festivals to reach the public. Adding to the difficulties of domestic rock, German bands were confronted with the prejudice that “authentic” rock music had to have a background of social deprivation that was to be found in Britain and the US, but not in Germany. This meant that German bands were commonly perceived as “mere copies” and of lesser value than the Anglo-American original (Dedekind 2008, Klitsch 2001).

The British “Rock Revolution”: Establishing the Artistic Value of Popular Music

Before the 1960s, popular music in Britain developed along similar lines as in Germany. Music publishers were the central gatekeepers of the industry and pre-selected the repertoire to be played live, broadcast and recorded. Dancing was a popular pastime and provided a focus for the industry, indicated by the fact that the popular repertoire in the 50s mainly consisted of dance tunes, romantic ballads and novelty songs, just as in Germany (Henson and Morgan 1989). As elsewhere in Europe, American music, most importantly rock ‘n’ roll, was imported by the established actors of the British music industry and adapted to existing marketing structures (Cloonan 2007).

There were, however, a few important differences between the British and the continental European music business which proved to be consequential for the particular development of British popular music since the 1960s. A precondition for what can be called a British “Sonderweg” was the decline of the established industry structure that had the publisher at its center. British publishers lost their key position partly because American companies took a firm hold in the British publishing industry early on (Peacock and Weir 1975, 114; Rogers 1964, 30). On top of that, American imports, which made up nearly three quarters of the hundred best-selling records in 1956, a much larger share than anywhere else in Western Europe at the time (Sanjek 1988, 378), were mainly released in their original recorded versions in the United Kingdom, as they were, of course, already written and recorded in English. This reduced opportunities for British publishers, composers and authors to profit from sub-publishing American hits, which in Germany at the time were mostly re-arranged, re-recorded and marketed with new lyrics, allowing for domestic actors to earn royalties (Nathaus 2011).

The decline of the older industry structure opened a window of opportunity for younger musicians who approached record companies directly and got the chance to make records. For record firms like the two “majors” EMI and Decca, who signed a lot of young acts, the skiffle and beat bands had the advantage of being cheap to produce, not least because the musicians and their equally

young managers were relatively undemanding in regards to their payment and had very little knowledge of the worth of a copyright (Southall 2006). The first hits by people like Lonnie Donegan and the subsequent phenomenal success of the Beatles came as a complete surprise to most members of the music industry establishment, who had treated these young musicians and songwriters as amateurs and their music as cheap content for “B” sides (Thompson 2008).

The breakthrough of the Beatles, followed quickly by other bands like the Rolling Stones, The Animals, The Yardbirds, and The Who marked an important step, but not the final step, in a development that has been referred to as a “Rock Revolution”. Up to that point in 1964, the British success story can still be understood in the traditional “showbiz” context of passing fads and fashions. The first songs the Beatles recorded had been written by American songwriters and were very much in keeping with the established formula of romantic love songs. Besides, the appearance of the four musicians followed the example of the 50s British “boy-next-door” rock star, slightly naughty, but ultimately nice (Cloonan 2007). But then the Beatles and other successful bands used their autonomy, which they had gained by commercial success, to deviate from the pop formula. They recorded their own compositions with meaningful lyrics, experimented with unusual instruments and new recording technologies, and recorded songs that exceeded the three minutes which were normal for a pop record. Record sleeves became artistically aspiring (Inglis 2001), and musicians cultivated a bohemian lifestyle, commenting on the state of the world rather than just announcing personal trivia. This “position-taking” of young musicians found resonance with music critics who began to treat beat and rock music as a “serious” form of musical expression. The *Melody Maker* was the first major music journal that covered the Beatles not as the latest teenage fad but as an innovative and skilful group of musicians. Bringing its jazz outlook to popular music, the journal established a kind of “serious” music journalism which paralleled (Frith 1978, 143-6) or may even have preceded (Lindberg et al. 2005, 73) similar developments in the “underground” press in the United States.

In close exchange, rock bands and journalists defined the artistic value of popular music (Regev 1994). This had become established by 1967, when the Beatles released their concept album “Sgt. Pepper’s Lonely Heart Club Band.” From that point in time, the artistic value drew the attention of other participants of the field in related media. In radio, presenter John Peel became an influential proselytizer, first with his show “The Perfumed Garden” on the pirate radio station Radio London in 1967 (Chapman 1992, 125f.) and then from the same year on as one of the first disk jockeys who worked for the newly opened channel “Radio 1” at the BBC. In television, “Colour Me Pop” (1968-1969) and the “Old Grey Whistle Test”, first broadcast in 1971, featured “progressive” music and provided a counterpoint to the chart shows that had dominated youth-oriented music in television since “Juke Box Jury” and “Top

Of The Pops” (Fryer 1997). According to a statement from 2001, “Whistle Test” producer Michael Appleton intended his show to be the “New Musical Express or Melody Maker on television”, which indicates how much music journalism had led other media to take an artistic approach to popular music (Mills 2010).

The artistic value also made a mark on retailing. From about 1970, a plethora of small local independent record shops opened and catered to specific demands and diverse tastes. These shops did not only sell records, but were also places where music fans could get hold of “alternative” journals and have discussions with the proprietor and other customers. As hubs of information, shops brought together people and encouraged the “intelligent” consumption of music. Towards the end of the decade, some of these retailers provided a fertile ground for the rise of punk and new wave as the latest versions of “independent” music, as shops like Virgin and Rough Trade went into distribution, record production, artist management and concert promotion (Taylor 2010, Southern 1996). Like with rock, the written word played an instrumental role in the formation of these later genres. Record shops continued to be outlets for a growing number of fanzines which proved to be a medium far more compatible with punk music than public or commercial broadcasting. Once again, music invited interpretation, and the fact that music writers were key figures in the dissemination of new sounds shaped the music that was produced.

All actors involved in the production and dissemination of so-called “independent” music shared a disregard for “mainstream” hits and passing fads and adhered to conventions that required “good” music to be distinct, imaginative, challenging and created outside the corporate world of big business. Popularity charts were viewed with suspicion. As devices for the calculation of mass appeal they were not sensitive to the intrinsic quality of music and therefore seen as a tool for commercial exploitation. The evaluation of music was therefore left to tastemakers who are to be found among critics, radio presenters and even record shop proprietors who thought that their portfolio should represent their personal taste as much as possible and put up lists of their personal favorites rather than the official sales charts (Taylor 2010, 68, 113, 212). Claiming autonomy from commercial obligations, tastemakers constantly rewrote an evolving canon of “genius” artists and “landmark” records and tried to gain the recognition of peers. One of the leading tastemakers since the late 1960s was John Peel (Peel and Ravenscroft 2005), whose status – and indeed his job – did rest far less on fan mail or rating figures than on the polls of pop music “inkies”. Peel’s producer John Walters remembered in an interview with the presenter for a BBC documentary that the Melody Maker poll of 1968, which somewhat unexpectedly rated Peel to be the best British radio DJ, saved the presenter from being fired by his seniors who had little understanding for the disk jockey’s uncompromisingly outlandish playlists, but grudgingly kept him

when they realized his standing among peers and “serious” fans (Lamacq and Robinson 2006, part 2).

While the adherence to the functional value of music explains the conservatism that characterizes German “Schlager” production, the orientation towards the artistic value made the music field in Britain a fertile ground for constantly generating certain musical trends. The importance of music criticism meant that new styles and their proponents were accompanied by interpretation and contestation in abundance, which created histories and allowed music to age and gain longer-term value. Bands like the Rolling Stones that represent the by now “classic” age of rock music still sell records and draw huge crowds, as they “matured” in an environment that was oriented towards the artistic value of music. Reputable rock and post-rock performers as well as their music continue to perform well in the markets for performance and records. Selling the music on the market for licenses, however, posed certain difficulties, as both “authenticity” as a core element of the artistic value of pop music and the coincidence of songwriting and performance, which became the norm for these genres, tied songs to their creators and made new performances and recordings suspicious of being valueless imitations. In a field that favored originality, the continuous use of copyrights by different performers in various contexts became a contentious issue, and re-use required some kind of “artistic” legitimization. Accordingly, so-called cover versions had almost no place in the album oriented “progressive” rock of the 1970s (Pendzich 2008, 189).

While the music field in Britain provided a fertile ground for “progressive” and “authentic” genres, other styles found less favor with influential producers and intermediaries. Pop and dance music that, according to leading tastemakers, was far off the artistic standards of “good” music, was neglected or excluded by gatekeepers who often lacked the sensibility for, let alone an interest in, these styles. Due to the fact that the professional outlook of many artist and repertoire people in British record firms was informed by their rock background, pop, soul and dance acts, if they got recording contracts at all, were often perceived as a fad from the start, not worthy of long-term career investment that had by then become the privilege of “valuable” rock music. As artist and repertoire seniors continued to recruit like-minded people and because individual A&R men tended to bow to peer pressure and adopt professional routines, the rock bias proved to be stable and shaped A&R policy at least until the end of the 1980s (Negus 1992, 60f.). Evidence for the influence of the artistic value on economic behavior can also be found at the marketing end of the record industry, even though the example of a promotion man who refused to “plug” a profitable disco hit for fear that this would make him a “laughing stock of the business” is certainly an extreme case (Barfe 2005, 282).

Charting Popularity: The Importance of the Quantitative Value in the American Music Field

The centrality of the artistic value in the field, as described for the British case between the 1960s and the late 80s, created a space for creative autonomy, but also drew firm lines against music that was seen as formulaic or “merely” commercial. This made the British example a complement to the German case, where a functional understanding of popular music survived among key actors and informed the production of “Schlager”. While the British and the German cases are markedly different from each other, they also share a feature that distinguishes them from the American experience. In both European countries the field gravitated towards producers of music, in Germany towards craftsmen who stood for “well made” music, in Britain towards artists who challenged existing conventions. Compared to these cases, actors at the distribution end of the musical production system in the US had much more influence in the field. This feature becomes apparent when one looks at the close connection between market research and the music business and the influence of audience data on decision making in the industry.

The case of the juke box illustrates this point (Rasmussen 2010). The so-called juke boxes are automatic, coin-operated phonographs which offered their customers a selection of first six, later twelve songs, before the machines of the 1950s contained up to one hundred disks or two hundred tunes. On the basis of the success of automatic vending machines and pinball games in the 1920s, the juke box became a prominent feature of American bars and restaurants in the second half of the 1930s, alleviated by the repeal of the prohibition. By the end of the decade, there were about 400,000 machines in operation, serviced by ca. 15,000 “coin men” who not only maintained the machines, but also selected the records. At that point in time, juke box records made up roughly forty per cent of the disks pressed in the United States, making the automatic phonograph an important factor in the resurgence of the record market after it had slumped during the depression.

Despite their importance for the recording industry, music machines and their operators were looked down upon by the dominant actors of the field. Musicians certainly had little professional regard for mechanics that ventured into music and threatened to substitute live entertainment. Furthermore, coin-operated phonographs were associated with seedy bars (“juke joints”), frequented by black people and poor whites. At first, the juke box trade tried to rid itself of its tainted image by promoting respectable names like “musophone” for the machines. But as it became clear that the popular term would stick, coin men changed their tactics. They claimed that the juke box was indeed the “people’s orchestra”, as it catered to the “common man” who had little money to spend.

Operators had to stock their machines with records that would be popular with patrons, or else their phonographs would not earn them any money. Consequently, they focused on finding out what listeners would want to spend their change on and totally desisted from their own preferences. In the second half of the 1930s, coin men turned this neutral preoccupation with consumers' tastes into their strongest selling point when they claimed that their methods to assess popular demand put them in a privileged position to the music-loving public. Whereas before they had looked at radio hit parades and sales charts in "Billboard" magazine and stocked their machines with the latest swing tunes and movie melodies, operators now began to trust their own observations and found that many of their costumers preferred styles like "hillbilly" and "race" music, as country and rhythm and blues were known then. Most importantly, operators had data to verify this, as beginning in 1937 juke boxes were equipped with a "play meter" that registered how many times each song had been selected. With the help of this device, operators stated that they were able to gauge audiences' preferences, even though, of course, such data ultimately depended on the pre-selection by coin men and only reflected yesterday's taste of a particular group of listeners in a particular reception context.

Nevertheless, when operators were able to quantify audiences, their expertise was taken into consideration by other actors in the field. The trade magazine Billboard had already expanded its coverage of the growing vending and amusement machines trade since 1935. From the second half of the decade, it was accounting for juke box concerns in record buying guides explicitly aimed at operators who were looking for profitable disks. As Billboard constantly tried to make its market information more detailed and accurate, it supported the attempts of operators to understand the people's preferences and pooled their respective findings. From 1938, it published letters from operators who recounted the performance of certain records in their machines, and from 1944 it printed a separate list of "Most Played Juke Box Folk Records". On the basis of its measurements of public taste, the juke box gave weight and helped to define formerly neglected styles, most prominently hillbilly which was no longer lumped together with other marginalized sounds, but was treated by Billboard as a genre in its own right. On top of that, operators' findings also guided record producers who began to release disks with more bass and percussion to make songs audible in noisy bars, the "natural" juke box environment. "Phono ops cue diskers" announced Billboard in 1941 in its characteristic abbreviations. Knowledge from the distribution end of popular music flowed back to the production side and contributed to hardening the sound conventions of a musical vernacular into a distinct genre.

The juke box example shows how knowledge about audiences filters through to the programming and production of music and contributes to the commodification of music as discernable genres, making it easier for suppliers to package music and for consumers to purchase it. A further case that illu-

strates the prevalence of audience knowledge in repertoire decisions is the radio industry. In the United States, broadcasting stations derived their income from advertising revenue which meant that they offered sponsors an access to defined audiences. This economic model rested on the identification of audiences that advertisers would consider worth paying for, and so commercial radio depended from its beginning on market research. At first, the analysis of audiences and their preferences had to rely on mail from listeners, but market research, which made a qualitative leap in the 1930s, soon came up with more sophisticated methods. Telephone inquiries as well as listening diaries and meters collected data from sample groups whose members were asked to recall or register what stations or programs they had been listening to (Napoli 2010, 37f.). With research methods improving, rationalized knowledge about audiences informed programming decisions to an ever greater extent. This pushed those actors who relied on their intuitive understanding of listeners or their innate sense of aesthetic quality on their back foot. As a first step, advertising agencies and their executives in the 1930s gained more influence on what kind of shows were broadcast (Sanjek 1988, 161). The orientation of programmers to quantifying target audiences further intensified in the mid-50s with the coming of format radio (MacFarland 1993, Garner 2003). According to industry lore, this new programming formula was based on the observation made by Todd Storz and Bill Stewart, proprietor and programmer of a Nebraskan radio station respectively, that patrons of juke boxes chose certain titles far more often than others and did not seem to get bored with playing the same selection over and over again. Subsequently, Storz and Stewart decided to reduce their station's playlist to the forty most popular records. Other stations followed suit, and format radio became the "winning formula" of the industry, not least because it corresponded with the changing role of radio that lost its attentive general audience to television and was left with a fragmented audience of casual listeners.

Like in the case of the juke box, radio programmers claimed to give audiences exactly what they wanted, regardless of what a station's operator personally preferred. Moreover, format radio as a general programming principle would cater to audiences that were fragmenting into ever more discrete taste communities. As Todd Storz himself put it in 1957:

(T)he programming of music is entirely by the choice of the public – if the public suddenly showed a preference for Chinese music, we would play it; the growing universality of musical taste appears to make possible the application of a single programming standard to many individual markets; the disk jockey is not representative of the public – his own preferences are a dangerous guide. (Quoted in Garner 2003, 463)

The examples of the juke box and format radio prove the centrality of the quantitative value in the popular music field in America. Juke box and radio also show the ambivalent consequences of audience data on the production of mu-

sic. On the one hand, rational market information could trump the intuition and preferences of established producers. This opened up possibilities for marginal actors to move centre stage and guide the industry to new sounds that apparently appealed to an identifiable audience. Oriented towards the quantitative value, the participants in the field were quicker to respond when a new sound, seeping into the music business from the “primordial soup” of musical creativity, resonated with an audience, which is an incident that is more likely to remain undetected when the field is dominated by actors who have the power to ignore information about listeners that contradict their outlook. Accordingly, the US music industry has continuously brought out genres that initially faced massive opposition from the music industry establishment. Country and rhythm and blues are two examples of this process.

While new audience data may benefit new actors and sounds and foment change, format radio, on the other hand, illustrates how research-based programming also led to inertia by giving way to a rigid compartmentalization of the musical spectrum into discrete and constricted genres. To be able to slot music into narrow playlists, record companies translated radio formats into their own organizational structure and established a system of “portfolio management” where sounds and artists were developed in separate genre divisions to fit formatted distribution channels (Negus 1999). Warner Communications is said to have pioneered this open system of production in the 1970s which tied independent production firms to a major company via distribution deals (Lopes 1992, 62). While production companies remained formally independent, the compartmentalization of distribution forced them to tailor their output to the existing genre conventions. This in turn limited the artistic autonomy of creators who not only found it near impossible to “cross over” within the segmented broadcasting landscape, but faced the same boundaries within the multidivisional record company (Negus 1993, 61-63). In addition to this phenomenon, the orientation toward the quantitative value seems to run counter to efforts to create artistic value for popular music, a process that in the British case required producers who could claim autonomy from commercial impositions. Nevertheless, there is a canon of “great” American popular music that had at the time been hit music, which indicates that the consecration of artistic merit seems to work in the US regardless of the limitations of creative autonomy. It would require a comparison between the American music press and other US institutions of canonization like the Halls of Fame and the Grammy Awards (Watson and Anand 2006) on the one hand and their British counterparts on the other to explain the coexistence of the quantitative value and of artistic merit. According to Bourdieu’s concept, these two positions should exclude each other as they are located at the opposite ends of the field.

Conclusion

Certainly, the goal of the music copyright owner is to maximize the revenues generated by the musical composition. Maximizing revenue, however, involves more than merely how much money you can negotiate in exchange for granting licenses. It involves appraising the value of the song and recognizing that a variety of subtle factors dynamically affect the value of the song over time.

Al and Bob Kohn's (1992, 4) summary of the "art of music licensing" may also serve to conclude the main points of this article. Comparing the cases of Germany, Britain and the United States, I tried to show how the "value of songs" both in terms of their aesthetic quality and their potential popularity was assessed by different actors, some of whom were not involved in the music trade as such, with different authority, due to the relationship between those actors and their position in the field of popular music. The "value of a song" as the basis of its market price was shaped by the constellation of the field of popular music. This constellation – and values and prices subsequently – have a historical dimension, as the comparison showed.

In Germany, I highlighted continuities in the structure of the field that explain why "Schlager" music was produced even though its market share declined rapidly. The persistence of the functional value of popular music among dominant producers is also a reason why domestic beat and rock music was underrated and got little chances to compete with the Anglo-American imports. The British case is characterized by a far-reaching change in the 1960s that reconfigured relations between music producers and brought with it the establishment of the artistic value of popular music. This development privileged the creators of rock who continue to sell records and concert tickets, while authors and performers from "less valuable" styles were neglected so that they had difficulties to enter the markets and build a sustained career. The American example stands for a field where the quantitative value of popularity informed programming decisions to a great degree. Consequently, US producers offered a wider range of differentiated musical commodities on the markets, each of them tailored to the particular conventions of tightly defined genres. This system of "portfolio management", in which "research and development" is left to independent producers and control is located at the distribution end, provides product for a demand that is continuously differentiated by market research that identifies new niches. At the same time, it relies on creativity at the very margins of the music field, in contrast to the British case where often dominant producers and tastemakers initiated new trends. Of course, I have painted the three national cases with a very broad brush to highlight national differences on which I based my systematic argument that the values generated in fields shape the performance of markets. There are several aspects like the above mentioned co-existence of the quantitative and the artistic value in the US case, the interdependence of the three national examples, and developments since the 1980s

which would require further inquiries that were left out for the purpose of this article.

The article should have demonstrated how the embeddedness of markets can be analyzed with the field concept as devised by Pierre Bourdieu and neo-institutional sociologists. Firstly, the approach outlined in this paper allows for the distinction between markets on which music is traded and to account for their particular economies which make up a first group of constraints and incentives for actors. Secondly, the field concept includes relevant actors in the scope of analysis who are not directly involved in trading but play an important role in establishing certain values. Thirdly, the approach focuses on the relations between field participants and takes into consideration the reproduction of stability as well as the process of change as two possible results of the continuous position-taking of the field's population.

In keeping with economic sociology's "older" agenda, this paper has applied the field concept "upstream" to study the functioning of embedded markets. Increasingly, economic sociologists are interested in the impacts of markets on society, and they look "downstream" to explore the study of markets as a starting point for the study of societies (Fourcade 2007, Beckert 2009). Although this agenda is beyond the present article, the field concept may be put to good use in that context as well, as values that are generated and negotiated between field participants are not only, as described here, turned into revenue, but are also translated into social capital that is then used to establish status and social relations.

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